



Title: I, Payroll/Personnel Manual

Chapter: 28, Section 2, Tax Formulas (TAXES)

Bulletin: TAXES 07-31, New Jersey State Income Tax Withholding

Date: October 15, 2007

To: Holders of TAXES (State of New Jersey only)
Personnel User Groups
T&A Contact Points in New Jersey

Beginning with wages paid for Pay Period 20, the National Finance Center (NFC) will change the income tax withholding tables to include Civil Union as a valid status for the state of New Jersey.

Personnel offices should notify employees to review their filing status and complete a new Form NJ-W4, Employee's Withholding Allowance Certificate, if applicable.

To view the updated tax formula, go to NFC's Home Page (www.nfc.usda.gov) and click **Pubs & Forms**. Then on the Pubs & Forms page left-hand menu, click **Tax Formulas** and select the appropriate state from the map provided. Changes to the tax formula are identified by "►◄".

For questions about NFC processing, contact the Payroll/Personnel Call Center at **504-255-4630**.

MARK J. HAZUDA, Director
Government Employees Services Division

New Jersey State Income Tax Information

State Abbreviation: NJ
State Tax Withholding State Code: 34
Acceptable Exemption Form: NJ-W4
Basis For Withholding: State or Federal Exemptions
Acceptable Exemption Data: S, M, C, D, E /Number of Exemptions
TSP Deferred: No
Non-Federal 401(k) Deferred: Yes
Special Coding: Determine the Total Number Of Allowances Claimed field as follows:

First Position –

**If Item 3 of the NJ-W4
Contains:**

Enter:

A	S
B	M
C	C
D	D
E	E

**If Item 3 of the NJ-W4 is
Blank and if the Status on
Line 2 Is:**

Enter:

Single	S
Married▶/Civil Union Couple◀ Joint	M
Married▶/Civil Union Couple◀ Separate	S
Head of Household	M
Surviving Spouse▶/Surviving Civil Union Partner◀	M

Second and Third Positions – Enter the total number of exemptions claimed in Item 4 of the NJ-W4. If less than 10, precede with a zero.

Additional Information: If a state income tax certificate has not been processed or if a valid state exemption code is not present, the Federal exemptions will be used in the computation of state tax.

Withholding Formula ▶(Effective Pay Period 20, 2007)◀

1. Subtract the nontaxable biweekly non-Federal 401(k) contribution from the gross biweekly wages to obtain the adjusted gross biweekly wages. **Note:** Do not subtract the biweekly Federal Thrift Savings Plan contribution.

2. Multiply the adjusted gross biweekly wages computed in step 1 by 27 to obtain the annual wages.
3. Determine the exemption allowance by applying the following guideline and subtract this amount from the annual wages to compute the taxable income.

Exemption Allowance = \$1,000 x Number of Exemptions

4. Apply the taxable income computed in step 3 to the following table to determine the annual New Jersey tax withholding.

Tax Withholding Table
Single or Married▶/Civil Union Couple◀ – Filing Separately
(Rate Table A)

If the Amount of Taxable Income Is:		The Amount of New Jersey Tax Withholding Should Be:		
Over:	But Not Over:	Of Excess Over:		
\$ 0	\$ 20,000	\$ 0	plus 1.5%	\$ 0
20,000	35,000	300	plus 2.0%	20,000
35,000	40,000	600	plus 3.9%	35,000
40,000	75,000	795	plus 6.1%	40,000
75,000	500,000	2,930	plus 7.0%	75,000
500,000	and over	32,680	plus 9.9%	500,000

Married▶/Civil Union Couple◀ – Filing Jointly or Head of Household
or
Surviving Spouse▶/Surviving Civil Union Partner◀
(Rate Table B)

If the Amount of Taxable Income Is:		The Amount of New Jersey Tax Withholding Should Be:		
Over:	But Not Over:	Of Excess Over:		
\$ 0	20,000	\$ 0	plus 1.5%	\$ 0
20,000	50,000	300	plus 2.0%	20,000
50,000	70,000	900	plus 2.7%	50,000
70,000	80,000	1,440	plus 3.9%	70,000
80,000	150,000	1,830	plus 6.1%	80,000
150,000	500,000	6,100	plus 7.0%	150,000
500,000	and over	30,600	plus 9.9%	500,000

Optional Rate Table C

If the Amount of Taxable Income Is:		The Amount of New Jersey Tax Withholding Should Be:		
Over:	But Not Over:			Of Excess Over:
\$ 0	\$ 20,000	\$ 0	plus 1.5%	\$ 0
20,000	40,000	300	plus 2.3%	20,000
40,000	50,000	760	plus 2.8%	40,000
50,000	60,000	1,040	plus 3.5%	50,000
60,000	150,000	1,390	plus 5.6%	60,000
150,000	500,000	6,430	plus 6.6%	150,000
500,000	and over	29,530	plus 9.9%	500,000

Optional Rate Table D

If the Amount of Taxable Income Is:		The Amount of New Jersey Tax Withholding Should Be:		
Over:	But Not Over:			Of Excess Over:
\$ 0	\$ 20,000	\$ 0	plus 1.5%	\$ 0
20,000	40,000	300	plus 2.7%	\$ 20,000
40,000	50,000	840	plus 3.4%	\$ 40,000
50,000	60,000	1,180	plus 4.3%	\$ 50,000
60,000	150,000	1,610	plus 5.6%	\$ 60,000
150,000	500,000	6,650	plus 6.5%	\$ 150,000
500,000	and over	29,400	plus 9.9%	500,000

Optional Rate Table E

If the Amount of Taxable Income Is:		The Amount of New Jersey Tax Withholding Should Be:		
Over:	But Not Over:			Of Excess Over:
\$ 0	\$ 20,000	\$ 0	plus 1.5%	\$ 0
20,000	35,000	300	plus 2.0%	20,000
35,000	100,000	600	plus 5.8%	35,000
100,000	500,000	4,370	plus 6.5%	100,000
500,000	and over	30,370	plus 9.9%	500,000

5. Divide the annual New Jersey tax withholding by 27 to obtain the biweekly New Jersey tax withholding.